



Starting A Business

Cynthia Wollersheim



# thinking About Starting A Business?

- ✻ Starting a business is an exciting proposition, but it's also an incredibly challenging undertaking. The resources in this section will help you learn about what it takes to start a business





## Is Entrepreneurship For You?

What characteristics do you need to be an entrepreneur?

What does it take to start and succeed in business?



# 20 Questions Before Starting

- ✻ Starting a business can be the most important decision you make in your life. Ask yourself these 20 questions to begin your preparation and planning.

4. What products or services will my business provide?
5. Am I prepared to spend the time and money needed to get my business started?
6. What differentiates my business idea and the products or services I will provide from others in the market?
7. Where will my business be located?
8. How many employees will I need?
9. What types of suppliers do I need?
10. How much money do I need to get started?
11. Will I need to get a loan?
12. How soon will it take before my products or services are available?
13. How long do I have until I start making a profit?
14. Who is my competition?
15. How will I price my product compared to my competition?



# Create Your Business Plan



## Executive Summary

The executive summary is often considered the most important section of a business plan. This section briefly tells your reader where your company is, where you want to take it, and why your business idea will be successful. If you are seeking financing, the executive summary is also your first opportunity to grab a potential investor's interest.



# What to Include in Your Executive Summary

- ✻ **If You Are an Established Business** If you are an established business, be sure to include the following information:

- ✻ **The Mission Statement** – This explains what your business is all about. It should be between several sentences and a paragraph.
- **Company Information** – Include a short statement that covers when your business was formed, the names of the founders and their roles, your number of employees, and your business location(s).
- **Growth Highlights** – Include examples of company growth, such as financial or market highlights (for example, “XYZ Firm increased profit margins and market share year-over-year since its foundation). Graphs and charts can be helpful in this section.
- **Your Products/Services** -- Briefly describe the products or services you provide.



# If You Are a Startup or New Business

- If you are just starting a business, you won't have as much information as an established company. Instead, focus on your experience and background as well as the decisions that led you to start this particular enterprise.
- Demonstrate that you have done thorough market analysis. Include information about a need or gap in your target market, and how your particular solutions can fill it. Convince the reader that you can succeed in your target market, then address your future plans.
- Remember, your Executive Summary will be the last thing you write. So the first section of the business plan that you will tackle is the [Company Description](#) section.



# Company Description

- This section of your business plan provides a high-level review of the different elements of your business.
- This is akin to an extended elevator pitch and can help readers and potential investors quickly understand the goal of your business and its unique proposition.
- **What to Include in Your Company Description**
- Describe the nature of your business and list the marketplace needs that you are trying to satisfy.
- Explain how your products and services meet these needs.
- List the specific consumers, organizations or businesses that your company serves or will serve.
- Explain the competitive advantages that you believe will make your business a success such as your location, expert personnel, efficient operations, or ability to bring value to your customers.



# Market Analysis



**The market analysis section of your business plan should illustrate your industry and market knowledge as well as any of your research findings and conclusions.**



**Industry Description and Outlook** – Describe your industry, including its current size and historic growth rate as well as other trends and characteristics (e.g., life cycle stage, projected growth rate). Next, list the major customer groups within your industry.

**Information About Your Target Market** – Narrow your target market to a manageable size. Many businesses make the mistake of trying to appeal to too many target markets. Research and include the following information about your market:

**Distinguishing characteristics** – What are the critical needs of your potential customers? Are those needs being met? What are the demographics of the group and where are they located? Are there any seasonal or cyclical purchasing trends that may impact your business?

**Size of the primary target market** – In addition to the size of your market, what data can you include about the annual purchases your market makes in your industry? What is the forecasted market growth for this group? For more information, see our [market research guide](#) for tips and free government resources that can help you build a market profile.

**How much market share can you gain?** – What is the market share percentage and number of customers you expect to obtain in a defined geographic area? Explain the logic behind your calculations.

**Size of the primary target market** – In addition to the size of your market, what data can you include about the annual purchases your market makes in your industry? What is the forecasted market growth for this group? For more information, see our [market research guide for tips and free go](#)vernment resources that can help you build a market profile.

**How much market share can you gain?** – What is the market share percentage and number of customers you expect to obtain in a defined geographic area? Explain the logic behind your calculation.

**Pricing and gross margin targets** – Define your [pricing structure](#), gross margin levels, and [any discount th](#)at you plan to use.

When you include information about any of the market tests or research studies you have completed, be sure to focus only on the results of these tests. Any other details should be included in the appendix.





**Competitive Analysis** – Your competitive analysis should identify your competition by product line or service and market segment. Assess the following characteristics of the competitive landscape:

- Market share
- Strengths and weaknesses
- How important is your target market to your competitors?
- Are there any barriers that may hinder you as you enter the market?
- What is your window of opportunity to enter the market?
- Are there any indirect or secondary competitors who may impact your success?
- What barriers to market are there (e.g., changing technology, high investment cost, lack of quality personnel)?





## Choose Your Business Structure

Sole Proprietorship

Limited Liability Company

Cooperative

Corporation

Partnership

S Corporation



# Choose & Register Your Business

- ☼ **Choose Your Business Name**

Your business name will frame its identity. There are many factors to choosing your business name. Here are some tips to get started.

## **Register Your Business**

**Name** For some businesses, you need to register your business name with state or local government agencies.

- ☼ **Register With State Agencies**

For some businesses, you need to register your business name with state or local government agency.





# More Information

✻ SCORE  
310 W. Wisconsin  
Ave. Milwaukee, WI.  
53202      414-297-  
3942

✻ [scorewisconsin.org](http://scorewisconsin.org).

✻ WWBIC  
2745 N. MLK DR.  
Milwaukee, WI. 53211  
414-263-54502

✻ [www.wwbic.com](http://www.wwbic.com)

